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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/686,628

10/17/2003

David Scott Jones

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7590

04/01/2009

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EXAMINER

LOFTUS, ANN E

ART UNIT

PAPER NUMBER

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/686,628	<b>Applicant(s)</b> JONES, DAVID SCOTT	
	<b>Examiner</b> ANN LOFTUS	<b>Art Unit</b> 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 11/15/2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-10, 12-24, 26-28 and 31-34 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-10, 12-24, 26-28 and 31-34 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Status of the Claims***

1. This action is in response to an amendment filed on 1/15/09. Claims 1-10, 12-24, 26-28 and 31-34 are pending. Claims 11, 25, 29 and 30 are cancelled.
2. The application was filed on 10/17/03 without provisional.

### ***Continued Examination Under 37 CFR 1.114***

3. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission has been entered.

### ***Response to Arguments***

4. Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection. However, certain arguments are addressed as follows.

The applicant argues that the term **regular mail channel** would be understood. The examiner points out that while the general meaning of the term is conveyed, the term does not mark clear boundaries of what would fall within its scope. Is the Fedex system a regular mail channel? What about UPS? What characteristics are required to

Art Unit: 3692

make the system fit within the bounds of a regular mail channel? The term is vague and indefinite and does not lay out metes and bounds that would apprise a person of ordinary skill of the scope of the claim.

The applicant argues that the term **proximate to the local post office** would be understood. This is a relative term, and there is no industry standard as to how close the locations must be in order to fall within the scope of proximate. The metes and bounds of the claim would not be clear to a person of ordinary skill in the art at the time of the invention.

The applicant argues that the newly amended features are not addressed. The rejections below address the amendments.

The applicant argues that Allen does not teach receiving a mail item comprising a payment product at a mail facility, electronically transmitting payment data associated with the payment product to an intended recipient for processing, and destroying the payment product at the payment processing system. In particular, the applicant says that the example in Allen does not apply because it is a mistake. The examiner respectfully disagrees. The technique is taught as a means to correct a common mistake, which means the technique was known. Truncating checks is also taught in paragraph 108 page 8. It specifies that in this case, the check is not deposited physically. Further, the applicant says that the property management company is not the mail facility. The examiner replies that a mail facility is broadly interpreted as any facility that handles mail, thus the property management company is a mail facility.

The applicant argues that Allen teaches that checks are physically deposited at the bank. Yet the applicant also teaches checks that get physically destroyed. The reference must be considered for all that it teaches. Disclosed examples and preferred embodiments do not constitute a teaching away from a broader disclosure or non-preferred embodiment. See *In Re Susi*, 169 USPQ 423 (CCPA 1971). A reference must be considered for all that it might suggest to one of ordinary skill in the art, and not just its primary thrust.

The applicant argues that it was not old and well-known to route mail with a zip code at the time of the invention (2003). This attempt to traverse the official notice is not timely. The attempt is not persuasive because the applicant has not shown why it was not old and well-known to route mail with a zip code, i.e. why it was novel and innovative to route mail with a zip code in 2003.

The applicant further argues that Allen routes mail by P.O. number, therefore it would not be obvious to substitute routing by zip code. The rejection is made based on the combination of Allen routing by P.O. box number and the Official Notice that routing mail by zip code was old and well-known. It would have been obvious to substitute routing by zip code because it was a known element, it performed the same function, and a person of ordinary skill in the art could have combined them with predictable results and a reasonable expectation of success.

***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Art Unit: 3692

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-10, 12-24, 26-28, 32, and 33 are rejected under 35 U.S.C. 101

because the claimed invention is directed to non-statutory subject matter.

The Bilski decision establishes the following test for claimed processes under 35 USC 101. The process passes if :

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines. '); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').<sup>7</sup> A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

Bilski further says that the particular machine or apparatus or transformation must be central to the purpose of the claimed process, and not mere extra-solution

Art Unit: 3692

activity such as gathering data or recording results. As far as the transformation, Bilski also says on page 28 “Purported transformations of manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances.” The transformation of data unrelated to the physical world is thus not sufficient.

Claim 1 is not sufficiently tied to a particular machine. While the payment processing device is a candidate, it is not clear that it has any physical components. The claim states that the product is extracted and destroyed at the system, instead of reciting that the system performs the extraction or destruction. Thus even the extraction and destruction are not clearly tied to a particular machine, but rather a particular location. Claims 2-10, 12-14, and 32 fail to remedy the problem.

Claims 1-10 and 12-14 and 32 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing; therefore, claims 1-10 are non-statutory under § 101.

As to claim 15, the scope includes embodiments which are entirely comprised of software. For example, if the mail item is an email, then the payment processing system and the central processing engine could be implemented entirely in software. As this would be a non-statutory embodiment, the claim must be rejected. The dependent claims do not remedy the problem.

***Claim Rejections - 35 USC § 112***

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-10, 12-24, 26-28 and 31-34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As to claim 15, a system is recited, yet the physical structure for the system is not claimed because all of the limitations can be interpreted as software. What is the intended class? What is the physical structure of the system claimed?

As to claims 13 and 27, the negative limitation "not sent into a regular mail channel" is unclear. Regular is a relative term, and there is no standard for determining the required degree of regularity. The examiner is unclear as to which mail channels are regular and which are not. Is Fedex regular? When mail is broadly interpreted to include, for example, email, the term becomes more vague.

As to claims 32, 33, and 34, the phrase "proximate to the local post office" is a relative term. How close does it have to be to fall within the scope of the claim? The metes and bounds of the claim are unclear, thus the claim is rejected.

As to claims 1 and 31, the word processing is used in the preamble, and again in the step beginning "electronically...." If it is the same processing, then the method does not achieve its intended purpose, because the processing is not accomplished. What is processing?



As to claims 1, 15 and 31, the term payment processing system is vague and indefinite. Claim 15 recites a system for processing payment products comprised of a payment processing system and other components. What is the difference and how do the components fit together? Is it software or a physical machine? The claims do not define the system such that a person could tell what is included in the system.

As to claims 1, 10 and 31, an intended recipient is recited. This is vague and indefinite because interpretation requires knowledge of intent. The claim does not specify whose intent – it could include any type of entity. It would be difficult to discern who intended which recipients along the transmission path. The metes and bounds of the claim are not clear.

As to claims 1, 12, 15, 26 and 31, the term appropriate is recited. There is no industry standard as to what payment processing is appropriate or inappropriate. The term is vague and indefinite.

The remaining claims listed are rejected as inheriting the problems cited.

### ***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1, 3, 5-8, 10, 12, 13, 15, 17, 19-22, 24, 26, 27, and 31-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Application

Art Unit: 3692

2003/0200107 filed 8/8/02 by Allen (provisional 3/13/02) in view of US Patent 7194437 filed 5/14/99 by Britto et al.

As to claims 1, 15, and 31, Allen teaches receiving a mail item comprising a payment product at a mail facility and identifying a routing code associated with the mail item and routing the mail item to a payment processing system based at least in part on the routing code (paragraph 41 - 42 page 3). The examiner interprets a mail facility to include a facility that receives mail. Allen teaches at the payment processing system extracting the payment product from the mail item (paragraph 97 page 7).

Allen teaches electronically transmitting payment data associated with the payment product to an intended recipient for processing (image forwarded to collection processor) and destroying the payment product at the payment processing system (paragraph 95 page 7) but this is in a slightly different embodiment. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify the first embodiment to add electronically transmitting payment data associated with the payment product to an intended recipient for processing and destroying the payment product at the payment processing system in order to avoid the cost and delay of securely moving paper checks.

Allen does not teach wherein the intended recipient or the central processing engine determine an appropriate clearing path based at least in part on a type of the payment product. Britto teaches in col 6 lines 50-68 the intended recipient and the central processing engine determine an appropriate clearing path based at least in part on a type of the payment product.

As to claims 3 and 17, Allen teaches a routing code comprised of a Post Office Box identifier in paragraph 41 page 3.

As to claims 5 and 19, Allen teaches the payment processing system is located at the mail facility (paragraph 52 page 4 and fig 3, which shows the mail facility receiving and extracting mail collocated with payment processing).

As to claims 6, 7, 20 and 21, Allen teaches the payment data comprises a portion of the payment product that is scanned for electronic transmission (image forwarded to collection processor, paragraph 95 page 7).

As to claims 8 and 22, Allen teaches the coupon scanned in claim 16, and displayed with the payment product in Fig 9 and paragraph 124 page 9. A person of ordinary skill in the art at the time of the invention would understand that the coupon and check were transmitted from the payment service center scanner to the collection processor where the images are displayed. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to make explicit a payment product electronically transmitted with items associated with the payment product in order to reduce tracking and shipping paper and also to keep the coupon and check information together for easy reference.

As to claims 10, and 24, Allen teaches a recipient (collection processor) determining a payment type (acceptable vs returns) based on the payment data, and determines an appropriate clearing path, in page 4 paragraph 62. See also paragraph 83 page 6.

As to claims 12 and 26, Allen teaches ACH in paragraph 53 page 4 and truncating checks in paragraph 108 page 8. A person of ordinary skill in the art at the time of the invention would understand truncating to mean replacing the physical check with an image replacement document to send via image exchange channels.

As to claims 13 and 27, Allen teaches an item not sent into regular mail (ACH) in paragraph 53 page 4.

As to claims 32, 33 and 34, Allen Fig 3 shows mail items received at a post office. Allen teaches payment processing is proximate to the local post office in paragraph 81 page 6. Allen teaches wherein the payment processing system and the mail facility are local (paragraph 52 page 4 and fig 3, which shows the mail facility receiving and extracting mail collocated with payment processing).

11. Claims 2, 4, 9, 14, 16, 18, 23 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Allen in view of Britto in view of Official Notice.

As to claims 2 and 16, Allen does not explicitly teach a zip code. Official Notice [now prior art] is taken that it is old and well-known to route mail with a zip code. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to add a routing code comprising a zip code in order to make use of a code that is familiar to participants.

As to claims 4 and 18, Allen does not explicitly teach routing codes comprised of numbers and letters. Official Notice [now prior art] is taken that it is old and well-known to use codes comprised of letters and numbers. It would have been obvious to a person

Art Unit: 3692

of ordinary skill in the art at the time of the invention to modify Allen to add a routing code comprising letters and numbers because it would give a greater number of possible code values for a given length code to use both.

As to claims 14 and 28, Allen teaches checks and money orders and other payment instruments in the abstract, and corporate and consumer checks in paragraph 118 page 9. Allen does not explicitly teach cashier checks. Official Notice [now prior art] is taken that these are old and well-known methods of payment. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to add cashier checks in order to be compatible with contemporary payment forms.

As to claims 9 and 23, Allen teaches scanning a payment coupon in claim 16. Allen teaches scanned correspondence pages in Fig 9 and paragraph 124 page 9. Allen teaches electronically transmitting the check as above. Allen refers to information associated with the check, but does not explicitly teach remittance advice, a statement nor accounts receivable data. Official Notice [now prior art] is taken that this is data commonly associated with a payment. It could have been scanned, transmitted and displayed as correspondence. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to explicitly add remittance advice, a statement and accounts receivable data in order to keep associated information with the check data for easy reference.

***Conclusion***

12. While portions of interest have been indicated, all references should be considered for the entirety of their teachings.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ann Loftus whose telephone number is 571-272-7342. The examiner can normally be reached on M-F 8-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

AL

/Susanna M. Diaz/  
Primary Examiner, Art Unit 3692